A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 63 - No. 11 NOVEMBER 1985

PAPER AND PAPERBOARD MARKETS: A CURRENT PERSPECTIVE

The major markets for paper and paperboard moved along a moderate uptrend during 1985. Printing and publishing activity, which consumes 13.5 million tons per year of newsprint and a large part of the 20 million tons per year of printing and writing papers used, rose at the rate of 3.5% per year from December 1984 to October 1985. Production of consumer goods -- the major market for paper and paperboard packaging materials -- rose at a 2.1% per year rate during this period, while the production of equipment and parts, another market for paperboard packaging, rose 3.3% per year. Real gross national product, a good measure of total paper and paperboard usage, rose at the rate of 2.1% per year from the fourth quarter of 1984 to the third quarter of 1985.

While these trends in market activity offered support to paper and paperboard production in this period, inventory changes at all levels, from the mill to the converter to the final users, together with trends of imports and exports, also affected patterns of production. Inventories of containerboard at mills and box plants moved up sharply during late 1984 and early 1985, peaking at the end of the first quarter at 3.0 million tons, equivalent to 8.1 weeks of supply. By the end of October 1985 these inventories had been reduced to 2.5 million tons, equivalent to 5.9 weeks of supply, about the same as the 6.2 weeks of supply held a year earlier.

Production of printing-writing papers in 1985 reflected the effects of inventory increases at mills, particularly in the second quarter of the year, as well as gyrations in the level of inventories held by printers.

The high value of the dollar in international markets also had a strong negative effect on domestic paper and paperboard production, with imports of coated papers, for example, continuing a strong uptrend, and exports of kraft linerboard moving well below year-earlier levels.

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PAPER AND PAPERBOARD PRODUCTION: CURRENT TRENDS

The production of paper and paperboard appears to be moving to a 66.8 million tons total in 1985. This would be 2.4% below the record high established in 1984 but nearly 3% above the earlier high of 65 million tons established in 1983. The seasonally adjusted rate of production moved down from its first quarter 1985 peak of 67.7 million tons per year to 65.5 million tons per year in the second quarter; the decline reflected shutdowns of linerboard mills to reduce inventories. The production rate recovered to 67.4 million tons per year in the third quarter. Weekly data indicate that paper and paperboard production held at its third quarter rate during November pointing to the estimate of 66.8 million tons total noted above for all of 1985.

The trends of production during the course of the year are best measured by the seasonally adjusted data. The Economics Department has computed seasonal factors for all major grades of paper and paperboard, utilizing the Bureau of Census X-11 computer program. The lower table on page 10 shows the 1985 seasonally adjusted data for output of the major grades of paper and paperboard. The totals and sub-totals presented in this table are the sums of the appropriate grades. The totals for paper and paperboard based on the sum of the parts differ slightly from the figures based on the seasonal factors computed for total production. The seasonally adjusted trends for both sets of data are, however, essentially the same.

Paper: Production of paper followed a relatively flat trend during 1985, with the quarterly rates holding near the 33.9 million tons indicated for all of 1985.

Newsprint production in 1985 will probably be slightly above 5.4 million tons, second only to the record 1984 high of 5.5. million tons. The November 1985 capacity survey showed total U.S. capacity in 1985 at 5.8 million tons. Newsprint consumption, as measured by domestic production plus imports less exports as reported by the Bureau of Census (see table on page 9), will probably amount to 13.5 million tons, about 3% above the 13.1 million tons of new supply available in 1984. Newsprint imports, mainly from Canada but supplemented by imports from other countries as well, were about 7% above their 1984 total, for a gain of about 600,000 tons.

The seasonally adjusted rate of printing and writing paper shipments paralleled that of the total industry, easing down by 2% from its first quarter 1985 peak of 18.6 million tons per

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PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

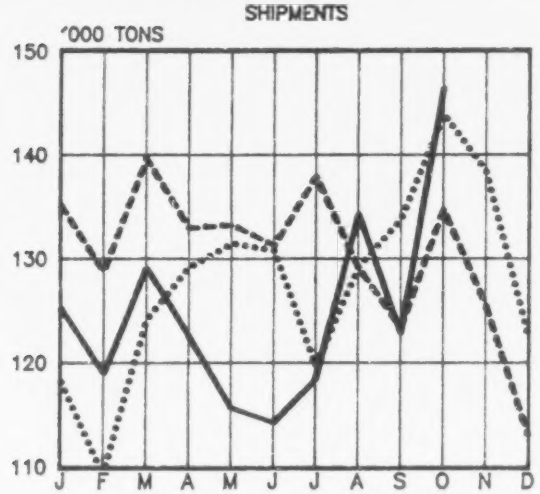
	YEAR 1983	YEAR 1984	JULY 1985	AUG. 1985	SEPT. 1985	OCT. 1985	Annual Rate Y-T-D 1985	% Change From same Period Last Year
PAPER								
Newsprint - Production	5167	5539	458	456	447	449	5462	-2.1
- Shipments	5153	5584	445	454	446	463	5443	-3.2
Printing & Writing sum	17370	18403	1483	1559	1462	1613	18494	-0.2
Groundwood Paper - Shipments	1531	1565	119	134	123	147	1498	-5.9
- New Orders	1581	1575	124	124	129	169	1523	-6.1
-Unfilled Orders	145	140	117	103	111	135	135	-12.9
Coated Papers - Shipments	5716	6249	470	484	437	481	5931	-5.2
- New Orders	5864	6281	452	448	459	514	5778	-7.8
- Unfilled Orders	513	575	423	385	424	455	455	-17.0
Unctd Free Sheet - Shipments	8780	9207	792	830	793	870	9724	4.6
- New Orders	9076	8939	761	808	783	905	9743	9.4
- Unfilled Orders	687	430	442	423	423	462	462	75.8
Thin Papers - Shipments	280	275	20	23	22	24	280	0.0
Cotton Fiber Paper - Shipments	133	147	10	12	12	12	143	-4.1
Bleached Bristols - Production	931	959	72	75	76	80	917	-5.2
Tissue Paper - Production	4789	4921	407	413	394	432	4932	0.7
Total Packaging & Other Paper	5497	5555	413	441	468	450	5254	-7.7
Unbl. Kraft Paper - Shipments	3666	3666	280	281	315	289	3439	-8.2
Other Paper - Production	1832	1889	133	160	153	161	1815	-6.6
TOTAL PAPER-Production-Unadj. *	32823	34417	2762	2870	2771	2944	34143	-1.6
-Production-S.A. *			2916	2791	2816	2808	33987	-1.3
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	24779	26403	2049	2230	2137	2185	25587	-4.5
Unbl. Kraft Linerboard (1)	15001	16037	1203	1304	1301	1316	15313	-5.9
Production for Export	2281	2086	154	164	145	152	1738	-21.0
Other Unbl. Kraft Paperboard	1121	1149	113	109	106	89	1205	1.6
Semichemical Paperboard	4731	5169	412	453	422	447	5092	-2.8
Production for Export	193	149	23	19	16	20	188	28.5
Solid Bleached Paperboard	3926	4048	321	363	309	333	3978	-3.1
Production for Export	515	478	35	39	32	36	453	-6.2
Recycled Paperboard	7398	7637	573	673	634	694	7733	-0.5
Production for Export	24	17	1	1	1	2	15	-4.2
TOTAL PAPERBOARD-Prod.-Unadj. *	32177	34039	2622	2903	2772	2879	33321	-3.6
- Containerboard Prod.(Dom. Use)	19173	20993	1596	1751	1727	1766	20450	-3.2
- Boxboard Prod.(Dom. Use) (2)	5551	5783	428	519	458	500	5771	-1.5
- All Other P'bd Prod.(D.U.) (2)	4441	4531	385	409	392	403	4705	-0.6
- Total Paperbd Prod. for Export	3012	2731	212	224	194	210	2394	-15.8
TOTAL PAPERBOARD PROD.- S.A. *			2726	2815	2777	2803	32939	-3.2
TOTAL PAPER AND PAPERBOARD								
Production - actual *	65000	68457	5384	5772	5543	5823	67463	-2.6
Production - S.A. *			5642	5606	5594	5610	66926	-2.3

(1)Includes all exports of kraft paperboard.
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.
* NOTE: Year 1984 contains one more day than year 1983 and 1985.

P Preliminary
R Revised
S.A. Seasonally Adjusted

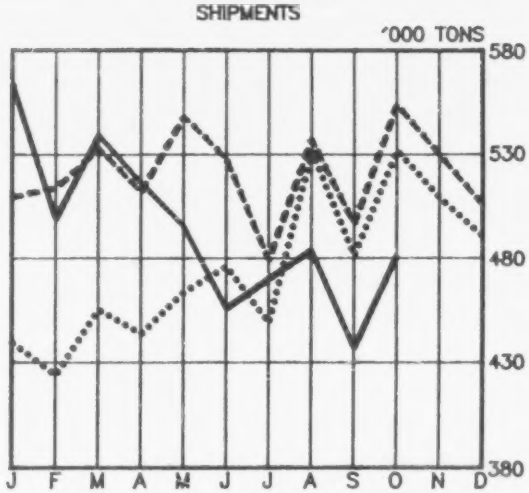
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



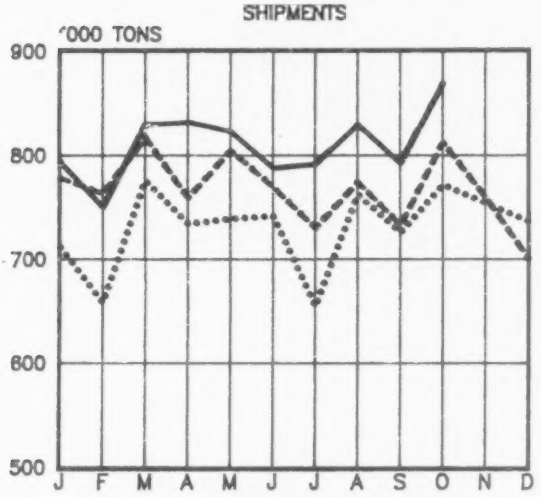
COATED PAPER

SHIPMENTS



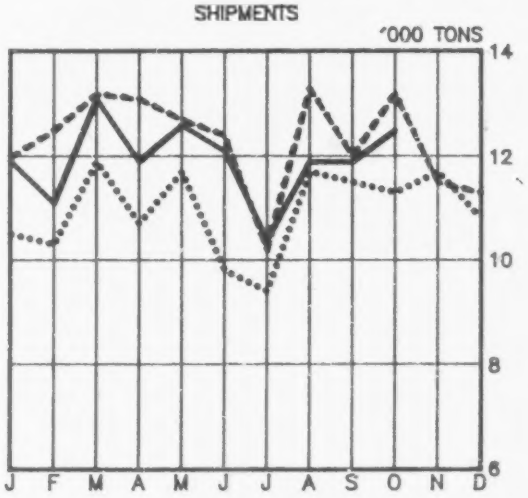
UNCOATED FREE SHEET PAPERS

SHIPMENTS



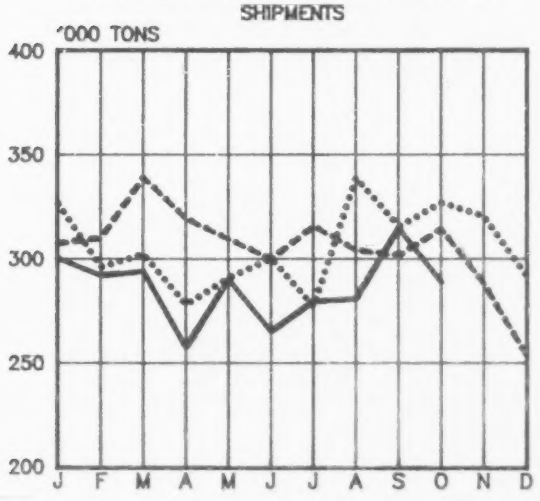
COTTON FIBER PAPER

SHIPMENTS



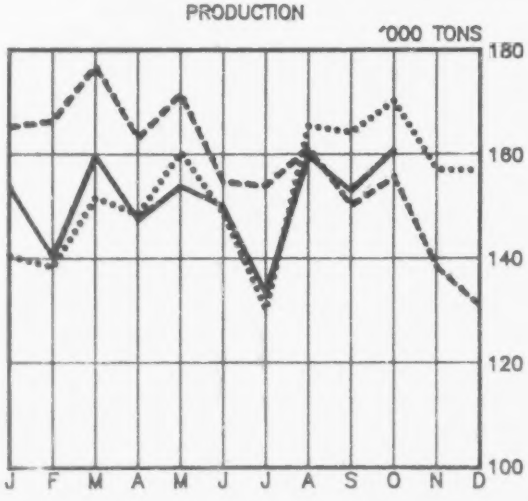
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1983 ••••••••• 1984 - - - - - 19 5 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1983	YEAR 1984	JUNE 1985	JULY 1985	AUG 1985 R	SEPT 1985 P	Annual Rate Y-T-D 1985	% Change from same Period Last Year
TOTAL WOOD PULP								
Total Wood Pulp - Production	52537	55548	4456	4492	4518	4432	54165	-3.1
- Imports	4093	4490	384	392	387	340	4495	1.7
- Exports	3644	3594	372	334	303	298	3820	5.2
- New Supply	52986	56445	4467	4550	4602	4474	54839	-3.3
Dissolving Pulp - Production	1261	1206	97	87	77	82	1175	-3.8
- Imports	192	161	10	18	11	23	176	5.0
- Exports	647	595	80	52	35	35	651	7.7
- New Supply	806	772	27	53	53	70	699	-10.7
Paper Grades - Production	42358	44732	3584	3626	3666	3603	43625	-3.1
Chemical Pulp - Imports	3706	4023	364	343	364	299	4110	3.5
- Exports	2958	2945	291	282	266	262	3146	5.8
- New Supply	43106	45810	3657	3688	3764	3640	44589	-3.1
Groundwood and - Production	5067	5509	428	447	427	423	5304	-4.5
Thermo-Mech. - Imports	195	306	10	31	12	17	210	-25.5
- Exports	40	54	1	1	2	1	24	-57.4
- New Supply	5222	5762	437	477	437	440	5490	-5.1
Semi-Chemical - Production	3851	4100	346	332	348	324	4061	-1.2
- Imports			- - - - - Included in Groundwood Pulp - - - - -					
- Exports								
- New Supply	3851	4100	346	332	348	324	4061	-1.2
MARKET WOOD PULP								
Total Market - Production	6478	6891	568	590	541	518	6799	-0.5
Wood Pulp - Imports	2945	2968	228	246	267	213	2813	-4.1
- Exports	3421	3511	375	274	312	305	3784	5.5
- New Supply	6002	6347	421	563	496	426	5827	-5.6
Dissolving Pulp - Production	1260	1197	97	87	77	82	1174	-2.9
- Imports	210	204	11	19	9	24	185	-13.1
- Exports	698	690	78	31	49	43	660	-6.2
- New Supply	772	710	30	75	36	63	699	-2.7
Paper Grades - Production	5206	5680	470	502	463	435	5611	0.1
Chemical Pulp - Imports	2698	2664	213	218	254	173	2542	-4.2
- Exports	2723	2821	297	242	263	263	3123	8.3
- New Supply	5181	5524	386	478	455	345	5030	-6.5
Groundwood Pulp - Production	12	13	1	1	1	2	13	2.0
and All Other - Imports	38	100	4	9	4	17	86	32.7
- Exports	0	0	0	0	0	0	1	0.0
- New Supply	49	113	5	10	5	18	98	26.5

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

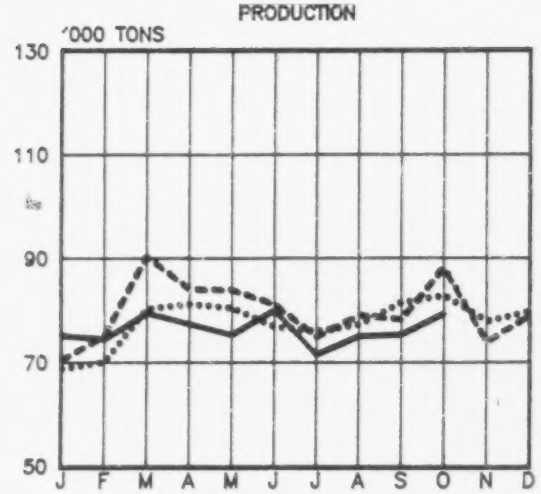
FIBROUS RAW MATERIALS
(Thousands of tons)

					R	P		
CONSUMPTION AT PAPER & PAPERBOARD MILLS								
Total	66130	70679	5634	5639	5794	5610	68486	-3.3
Total Wood Pulp	51434	54664	4369	4426	4500	4359	53308	-3.1
Waste Paper	14696	16015	1264	1212	1294	1252	15178	-3.9
INVENTORIES								
Own Use Wood Pulp at Pulp Mills	170	174	192	186	180	184	184	15.0
Mkt Pulp at Pulp Mills (Paper Grades)	384	585	529	563	541	502	502	20.1
Mkt Pulp at Ppr. & Bd. Mills *	550	484	442	414	410	407	407	-24.3
Waste Paper at Paper &Bd. Mills	920	1025	985	1011	958	934	934	0.3
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	26	42	32	35	35	32	32	6.7

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

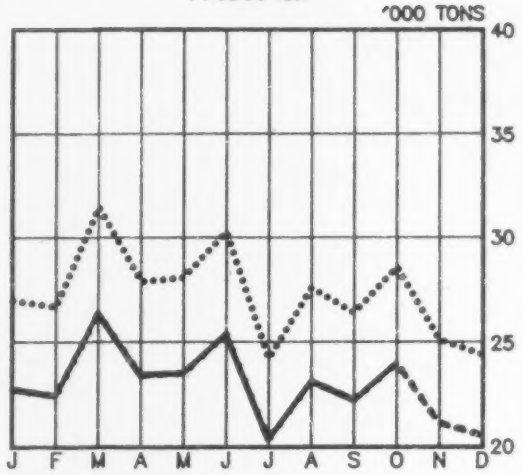
BLEACHED BRISTOLS

PRODUCTION



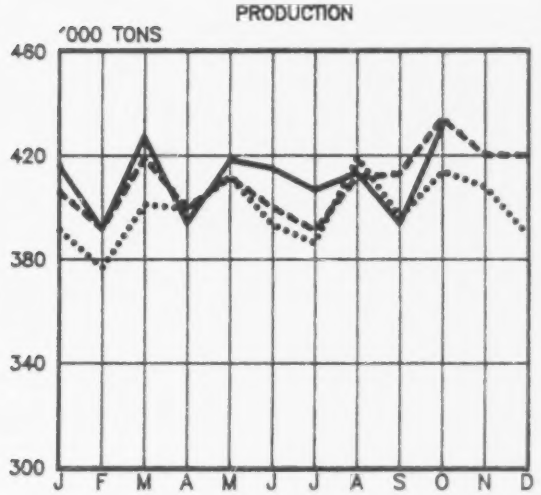
THIN PAPER

PRODUCTION



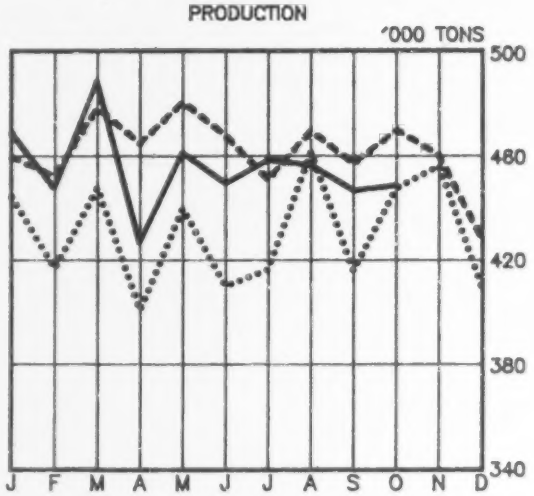
TISSUE PAPER

PRODUCTION



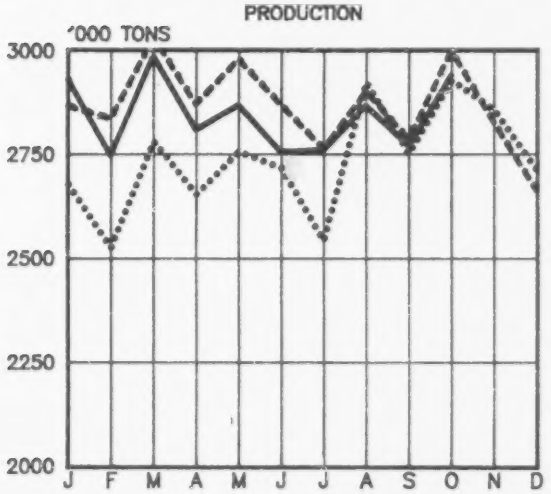
NEWSPRINT

PRODUCTION



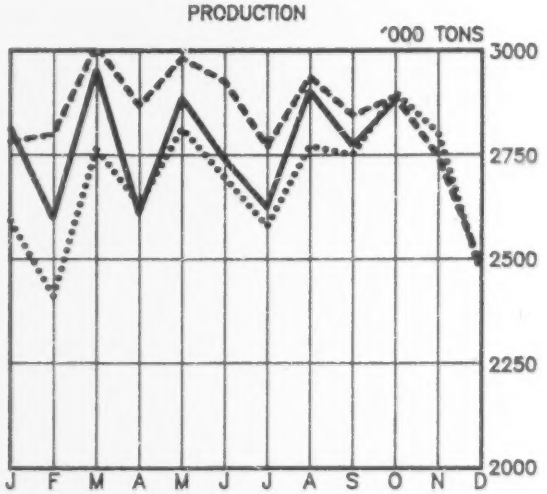
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1983 ••••••••• 1984 - - - - - 1985 ———

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1983	YEAR 1984	JUNE 1985	JULY 1985	AUG. 1985	SEPT. 1985	Annual Rate Y-T-D 1985	% Change from same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	84475	88876	6918	7003	6965	6913	85064	-4.4
	- Total Consumpt	85442	87646	6943	7022	6925	6904	85412	-2.9
	- Residues *	32755	32072	2520	2413	2566	2493	30305	-6.2
	- Inventories	5229	5574	4925	4881	4970	4958	4958	-1.3
So. Atlantic	- Total Receipts	25736	27654	2189	2215	2192	2252	27103	0.1
	- Total Consumpt	25847	27344	2252	2225	2198	2277	27388	1.3
	- Residues *	7904	8198	629	581	636	627	7667	-5.9
	- Inventories	1163	1444	1109	1086	1059	1044	1044	-10.2
Northeast	- Total Receipts	7051	7665	563	621	574	586	7336	-2.3
	- Total Consumpt	7274	7474	589	624	550	560	7464	-0.6
	- Residues *	1199	1301	141	110	110	126	1545	6.1
	- Inventories	577	590	442	409	425	445	445	-9.4
South Central	- Total Receipts	29409	30693	2461	2404	2425	2389	29781	-4.0
	- Total Consumpt	29152	30502	2514	2468	2458	2432	30028	-2.2
	- Residues *	9218	9059	779	711	768	734	9203	1.7
	- Inventories	1536	1304	1143	1148	1121	1149	1149	-3.1
North Central	- Total Receipts	6265	6872	554	530	557	518	6445	-8.2
	- Total Consumpt	6343	6563	518	502	522	492	6281	-6.2
	- Residues *	1822	1472	109	97	109	118	1335	-12.7
	- Inventories	851	906	854	871	903	895	895	3.3
West	- Total Receipts	16014	15992	1151	1233	1217	1168	14399	-11.8
	- Total Consumpt	16826	15763	1070	1203	1197	1143	14251	-11.3
	- Residues *	12612	11842	862	914	943	888	10556	-13.0
	- Inventories	1102	1330	1377	1367	1462	1425	1425	8.2

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 26-Nov-85

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1984 Tons	YEAR 1984 $000's	AUG. 1985 Tons	AUG. 1985 $000's	SEPT. 1985 Tons	SEPT. 1985 $000's	Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	207520	10591	900	546	1141	691	27488	-85.3
Pulpwood chips	2061270	45353	43541	1256	80394	2030	842743	-62.5
Wood Pulp, Total	4059913	1678908	332550	111015	303416	99886	4036606	0.1
Waste Fibrous Materials, Total	151957	25187	11753	2332	12799	2451	155640	-1.2
Paper, Board & Products, Total	9401285	4048656	777952	347601	846943	367612	9721034	3.6
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9330954	3927255	771170	337418	837939	353869	9636613	3.4
Paper, Paperboard & Products	8948073	3946084	747518	339278	822505	360212	9334897	4.6
Paper & Paperboard, Only	8877742	3824684	740736	329096	813502	346469	9250477	4.4
Paper, Total	8662094	3762205	728858	325896	799141	342896	9097413	5.3
Newsprint	7681341	3224596	639466	279823	713986	298077	8122620	5.5
Printing, Writing & Rel. Pap.	852879	457438	75452	38342	69434	36655	806901	-1.5
Pack. & Ind. Conv. Paper	101131	59408	10349	5350	12717	5918	118007	17.4
Special Industrial Paper	3232	5437	213	357	288	512	3117	-8.3
Tissue Paper	23512	15326	3378	2025	2716	1735	46768	170.1
Paperboard, Total	215648	62479	11878	3200	14360	3573	153063	-30.6
Convtd Paper&Paperbd Products	70331	121401	6782	10182	9003	13743	84421	26.4
Wet Machine Board	2098	1426	189	126	203	145	2174	1.3
Construction Paper & Board	451113	101146	30245	8197	24235	7256	383963	-15.6

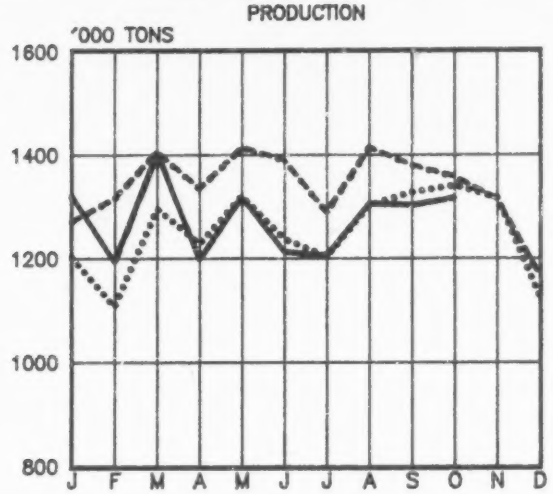
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	95117	5698	5807	269	4541	297	44324	-44.0
Pulpwood chips	28445	1544	8772	523	7473	369	86880	182.5
Wood Pulp, Total	180850	82653	22150	8397	15099	5891	206358	24.5
Cotton Pulp & Other Pulp	10474	6605	1697	628	1063	506	11611	5.4
Waste Paper	325712	37937	17683	1748	15729	1575	222337	-34.4
Paper, Board & Products, Total	756499	524570	59849	40477	61311	40446	728021	-3.8
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	569696	358082	46421	26289	47847	26635	562254	0.9
Paper, Paperboard & Products	726888	511454	58127	39630	59073	39421	703697	-3.0
Paper & Paperboard, Only	540085	344966	44699	25442	45610	25610	537929	2.2
Paper, Total	296791	245610	23805	18127	20124	17306	282203	-5.3
Newsprint	4493	3678	603	375	256	202	3544	-28.4
Printing, Writing & Rel. Pap.	137839	125802	9581	8510	8607	7758	138763	1.6
Pack. & Ind. Conv. Paper	46661	26918	3160	2106	2857	1738	44082	-3.1
Special Industrial Paper	104039	85328	10164	6813	7883	7200	92591	-14.1
Tissue Paper	3758	3883	298	323	521	409	3223	8.1
Paperboard, Total	243294	99357	20894	7315	25486	8304	255725	12.0
Convtd Paper&Paperbd Products	186803	166488	13428	14108	13464	13811	165768	-16.9
Wet Machine Board	5312	3707	446	351	519	345	5477	5.1
Construction Paper & Board	24299	9409	1276	496	1719	681	18848	-26.9

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 26-Nov-85

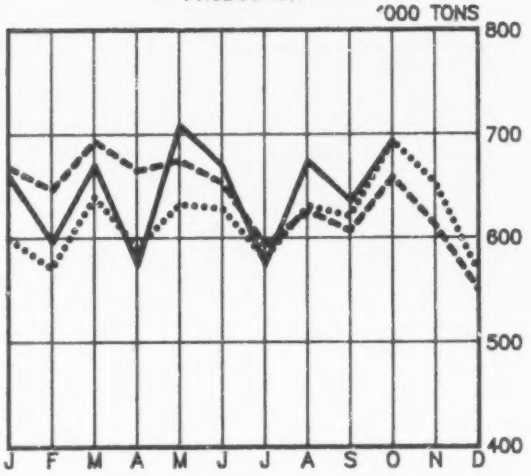
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



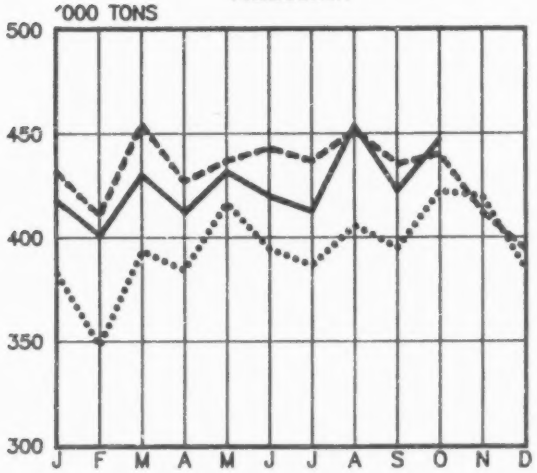
RECYCLED PAPERBOARD

PRODUCTION



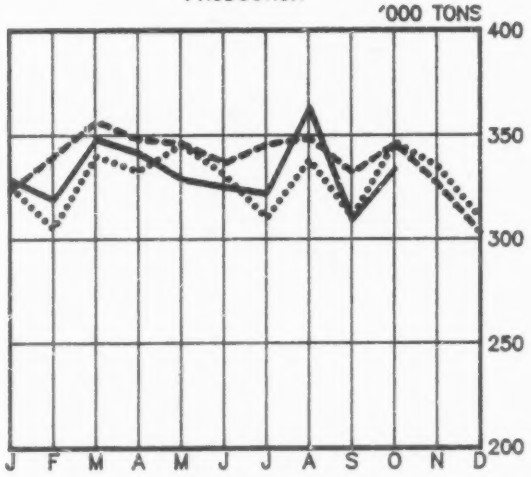
SEMICHEMICAL PAPERBOARD

PRODUCTION



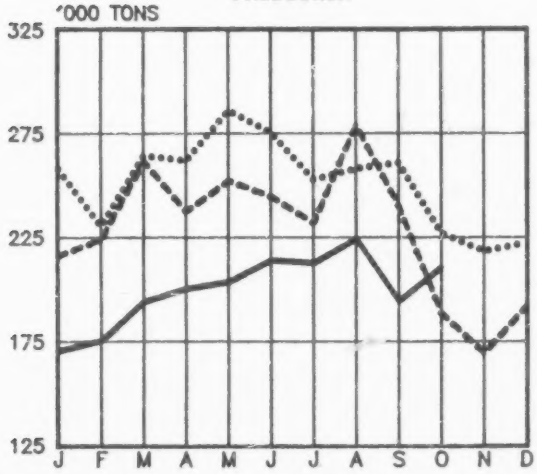
SOLID BLEACHED PAPERBOARD

PRODUCTION



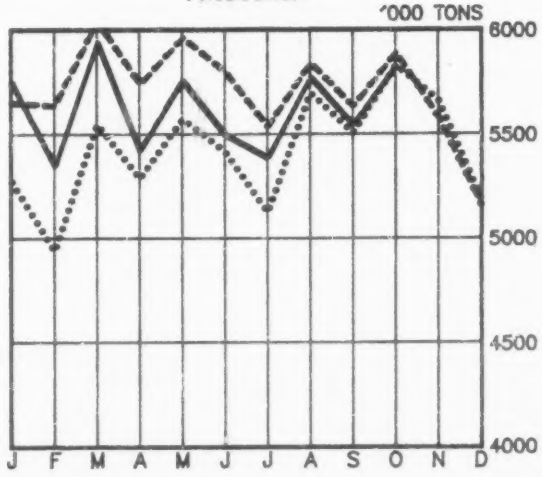
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1983 ••••••• 1984 - - - - - 1985 ———

I M P O R T S

	YEAR 1984 Tons	$000	AUG. Tons	1985 $000	SEPT. Tons	1985 $000	(1) Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulpwood Roundwood (cords)	207733	10615	900	546	1141	691	41003	-78.1
Pulpwood Chips	2062545	45396	43581	1259	80414	2032	843855	-62.4
Total All Imports	15739471	7204351	1315235	586397	1355128	606415	16208972	2.9
Wood Pulp Total	4490081	1844768	387297	127666	340072	110200	4494616	1.7
Waste Paper	109712	11692	10240	867	7500	887	86083	-22.2
Other Fibrous Materials	64367	24097	7259	2492	6403	2312	94762	35.5
Paper Board & Products Total	11075312	5323794	910439	455372	1011154	493016	11533512	3.4
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	10854312	4781475	888570	406662	983807	433285	11265704	3.0
Paper Ppbd & Prds ex Cnst&WMB	10575656	5207697	872908	444672	980674	483884	11084204	4.1
Paper & Paperboard Only	10354656	4665378	851040	395962	953327	424152	10816396	3.7
Paper Total	10112041	4591486	837480	391209	936434	419637	10636567	4.5
Newsprint	7893877	3299570	671848	292536	740287	307997	8470951	6.9
Printing & Writing	2042368	1168989	148186	87992	176951	99721	1945742	-6.4
Uncoated Groundwood	1090049	548791	82412	42646	94925	47539	1044004	-5.4
Coated Print.& Impreg. Pap.	428274	295844	35276	27862	39168	29689	519351	25.4
Uncoated Free Sheet	476950	284057	28869	15611	41452	20985	357557	-29.4
Uncoated Book	254926	156296	15422	8151	23726	12007	195817	-22.3
Writing and Similar Paper	222024	127761	13447	7460	17726	8978	161739	-36.4
Thin (except Cigarette)	46427	39513	1503	1745	1392	1499	23751	-56.3
Bristols	667	784	127	128	14	11	1079	59.3
Total Pkg & Other Paper	145484	102565	13760	9001	16407	10120	166275	10.6
Unbleached Kraft Paper	42854	19568	6378	2311	9267	3125	58241	26.1
Other Pkg. & Indust. Paper	102629	82997	7382	6689	7141	6995	108034	3.7
Tissue	30312	20362	3686	2280	2789	1798	53599	117.2
Paperboard, Total	242615	73892	13560	4153	16893	4516	179829	-28.3
Test or Containerboard	70028	22218	4197	1383	4279	1353	50590	-28.8
Semi-Chemical Corrugating	103968	26098	4956	936	7425	1407	65503	-39.1
Other Paperboard	68620	25576	4407	1834	5189	1756	63736	-11.5
Convtd Paper&Paperbd Products	221000	542319	21869	48710	27347	59731	267808	22.9
Paper Products, Total	186199	474151	20308	45516	25103	55015	243807	33.1
Paperboard Products, Total	34800	68168	1561	3194	2244	4716	24001	-30.8
Wet machine Board	2826	2017	311	232	282	223	3301	11.8
Construction Paper & Board	496830	114080	37220	10468	30198	8910	446007	-10.9
Notes								
Other: No Weight Avail. ($000)		195737		16716		20820	217347	9.9
Total Imports Incl. Other($000)		7400088		603114		627235	7498623	2.0

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	95441	5714	5807	269	5550	342	46169	-42.0
Pulpwood Chips	2325213	164058	216272	15218	22428	15534	2085947	-13.1
Total All Exports	11300450	4524778	981096	342510	898130	318466	11297563	-1.3
Wood Pulp,Total	3593585	1501948	303132	106595	297681	104790	3820449	5.2
Cotton Pulp and Other Pulp	84883	63545	14092	10339	10174	6806	106491	21.1
Waste and Old Paper	3235441	408128	303150	33008	231788	24196	3279043	3.4
Paper, Board & Products,Total	4386541	2551157	360722	192568	358487	182675	4091580	-10.2
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	3818804	1789139	317092	132389	324478	133078	3588444	-9.6
Paper, Ppbd & Prod ex Cnst&WMB	4308873	2507184	356358	190011	352767	179573	4026646	-10.0
Paper & Paperboard, Only	3741136	1745156	312728	129832	318759	129977	3523509	-9.4
Paper, Total	810547	632490	68292	50083	60877	48437	787375	-3.6
Newsprint	306198	133964	25158	10235	26114	11063	314069	1.9
Printing & Writing	203156	219922	17822	17729	13848	14541	200992	-0.4
Uncoated Groundwood	30405	28875	4924	3300	1974	1969	37338	27.4
Clay Coated Paper	85714	71365	6644	5495	5911	5186	75970	-12.8
Uncoated Free Sheet	65410	87255	4950	6121	4331	5459	67091	5.5
Other Printing & Writing	21627	32427	1304	2814	1631	1928	20593	-5.7
Total Pkg. & Other Paper	284185	259323	23891	20683	19589	21472	252745	-12.6
Unbleached Kraft	106712	44382	6700	2702	5093	2207	72795	-35.6
Other Pkg. & Indust. Paper	177473	214941	17191	17980	14496	19266	179951	2.1
Tissue	17009	19281	1421	1436	1326	1360	19569	12.1
Paperboard, Total	2930588	1112666	244426	79749	257882	81540	2736134	-10.9
Solid Wood Pulp	2761732	1040239	227008	73170	234804	74497	2517733	-13.7
Total Linerboard	2058034	628531	171903	43253	180647	43817	1813822	-17.2
Bleached Kraft Linerboard	141367	57788	7305	2809	20111	5852	129438	.0
Unbleached Kraft Linerbd	1916667	570743	164598	40445	160536	37965	1684384	-18.3
Other Unbleached Kraft	110878	51270	10986	4676	5426	2424	112023	-11.8
Other Bleached Kraft	543209	348218	39576	24038	42832	27104	536027	-4.5
Semi-Chemical Corrugating	49612	12220	4543	1203	5900	1151	55862	43.2
Recycled Paperboard	168856	72427	17428	6579	23078	7043	218400	42.1
Convtd Paper&Paperbd Products	567737	762028	43630	60179	34009	49596	503137	-14.1
Paper Products, Total	286403	516149	19581	41109	17749	35631	248387	-17.8
Paperboard Products, Total	281334	245879	24050	19070	16259	13965	254749	-10.1
Wet Machine Board	13782	7335	711	494	1407	588	12871	-6.7
Construction Paper & Board E	63887	36638	3654	2064	4313	2514	52063	-22.8
Notes								
Other: No Weight Avail. ($000)		8843		634		448	6567	-27.1
Total Exports Incl. Other($000)		4533621		343144		318914	4120306	-10.5

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1983	1984	1985 JULY	AUG.	SEPT.	OCT.	Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	271.4	292.9	291.9	289.8	289.2	288.8	293.1	0.5
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	273.3	293.8	294.5	292.3	291.9	291.6	295.5	1.0
Total Wood Pulp	347.1	395.0	349.5	338.4	337.0	337.1	350.1	-11.3
Total Paper	282.3	303.2	304.0	303.7	303.3	301.4	304.1	0.6
Total Paper, exc. Newsprint	277.0	301.2	300.2	300.1	299.1	296.2	299.5	-0.4
Newsprint	303.0	324.1	333.0	334.9	333.9	331.2	333.4	3.7
Total Paperboard	250.8	280.6	273.2	266.3	266.6	265.3	277.7	-0.2
Total Paper and Paperboard *	272.4	296.1	294.3	292.0	291.8	290.3	295.8	0.4
Converted Products	265.4	280.7	288.3	286.7	286.2	286.5	288.6	3.4
Waste Paper	158.6	240.1	141.6	141.4	129.5	126.8	153.3	-37.5
All Commodities	303.1	310.4	309.0	307.2	305.8	308.0	308.6	-0.6
Industrial Commodities	315.7	322.6	324.3	323.6	322.5	324.4	323.7	0.4

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API 26-Nov-85

1985
SEASONALLY ADJUSTED PAPER AND PAPERBOARD PRODUCTION
(THOUSANDS OF SHORT TONS)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Sum
Newsprint	451.8	460.2	461.8	421.4	449.9	447.6	471.1	447.5	464.3	442.2			4517.8
Total Printing & Writing	1553.1	1551.1	1544.2	1559.0	1497.2	1499.9	1573.5	1521.4	1509.4	1506.2			15314.9
Unctd Groundwood	125.8	130.0	127.0	118.6	113.6	116.4	122.9	132.6	125.3	131.4	N		1243.6
Coated Paper	546.5	524.2	527.9	526.4	486.1	457.2	496.6	466.2	450.6	443.3			4924.9
Unctd Free Sheet	769.4	783.0	778.8	807.8	786.2	808.8	844.5	813.9	822.9	822.1	O		8037.1
Bleached Bristols	76.9	79.3	75.5	71.0	76.6	81.6	74.8	74.1	76.1	74.9			760.7
Cotton Fiber	11.5	11.3	11.6	11.9	11.5	12.6	11.8	11.9	11.7	12.2	T		118.2
Thin	23.1	23.4	23.3	23.4	23.2	23.2	23.0	22.8	22.7	22.4			230.5
Total Pk'ging & Other	448.6	442.5	432.2	405.1	436.9	438.2	450.5	419.9	457.7	433.5	A		4361.1
Unbl. Kraft Paper	295.1	301.1	279.1	262.7	290.4	280.3	302.1	268.8	304.1	281.8	V		2865.5
Other Paper	149.6	141.4	153.1	142.5	146.4	157.8	148.4	151.1	153.6	151.7	A		1495.5
Tissue	410.6	409.0	402.5	392.2	416.5	420.3	433.9	401.4	403.1	416.9	I		4106.6
Total Paper	2860.1	2862.8	2840.7	2777.8	2800.4	2806.0	2929.0	2790.1	2834.7	2798.7	L		28300.3
Total Unbl. Kraft Pb'd	1418.5	1349.4	1405.9	1259.3	1331.0	1307.8	1365.9	1355.2	1367.9	1373.2	A		13554.1
UBK Linerboard	1330.5	1254.8	1311.3	1174.8	1241.9	1203.9	1259.4	1245.6	1279.4	1282.3			12583.7
Other UBK Pb'd	88.1	94.5	94.6	84.6	89.2	103.9	106.5	109.6	108.5	91.0	B		970.5
Semichemical	408.0	418.8	406.0	410.6	412.5	413.9	424.4	449.4	426.6	435.9	L		4206.2
Solid Bleached	320.4	328.0	326.3	326.1	310.3	322.7	328.2	355.4	323.8	330.5			3271.6
Recycled Board	639.0	603.6	616.8	563.5	674.9	658.7	622.0	660.4	644.5	655.6	E		6338.8
Total Paperboard	2785.9	2699.8	2755.0	2559.5	2728.7	2703.1	2740.4	2820.4	2782.7	2745.2			27370.8
Total Paper & Paperboard	5646.0	5562.6	5595.7	5337.3	5529.1	5509.0	5669.4	5610.5	5617.4	5594.0			55671.1

26-Nov-85

year in the second quarter, then recovering about half its lost ground in the third quarter. Weekly data indicate that fourth quarter production is holding close to its third quarter rate, pointing to a shipments total of 18.4 million tons for all of 1985, which would just match its 1984 high.

The different grades of printing-writing papers followed rather disparate trends. Shipments of uncoated free sheet papers moved generally upward throughout 1985; their September-October seasonally adjusted average was 6% above that of the first 2 months of the year. This strength reflected gains in all the major sub-grades -- bond and writing papers, form bond and printing papers -- and was partly attributable to reduced imports.

The seasonally adjusted rate of shipments of coated papers, by way of contrast, moved generally downward, with their September-October average 16% below the rate of the first 2 months of the year. This decline reflected weakness in virtually all the markets for coated papers. The seasonally adjusted rate of total paper shipments to the largest market for coated papers -- magazines -- fell 18% from the first 2 months of 1985 to the September-October period.

The rate of shipments of the other grades of printing and writing papers moved in a generally flat trend during 1985, at a level some 4% to 6% below their respective 1984 averages.

Shipments of unbleached kraft papers followed a rather erratic trend during 1985, with its September-October seasonally adjusted rate about 2% below that of the first two months of the year. The ten-month 1985 total, however, as shown in the table on page 3, is 8.2% below its comparable 1984 level. While the shipments rate for "other" papers adhered to a flat trend in 1985, its level was also well below that of 1984.

Paperboard: The seasonally adjusted rate of paperboard production in the September-October 1985 period held near the August-September high of 33.6 million tons per year. With inventories at mills and plants back to more comfortable levels, paperboard production trends may now be expected to move in line with consumption requirements.

The run-up and subsequent reduction in inventories during the past year was centered on kraft linerboard, as indicated by the steep decline in its seasonally adjusted rate of production from January to April 1985 and the strength of the subsequent recovery. At the same time, the ten-month 1985 total is 5.9% below the comparable 1984 level. Much of this weakness, however, reflected the 21% decline in production for export; production for domestic use was down a smaller 3.5% during this

Continued on Page 12

period. Production of total containerboard for domestic use, which includes corrugating materials and container chip and filler board, fell by 3.2%, considerably more than consumption of containerboard at fibre box plants, which fell by 0.8%. Total fibre box shipments were down by 1.3%

Boxboard showed a steadier pattern. Boxboard production for domestic use was 1.5% below its year-earlier total in the first ten months of 1985, while production of solid bleached board for export -- the major boxboard export grade -- was off by 6.2%.

Production of folding boxboard for domestic use is showing a decline of 1.2% from 1984 levels. Production of recycled folding boxboard, however, rose by 0.9%, while production of solid bleached folding boxboard for domestic use fell by 3.7%.

Among the other bleached board grades, cup stock, the largest grade other than milk carton stock, rose by 2.2% in this ten-month period. Milk carton stock, however, fell by nearly 4%. Set-up boxboard was also down -- 9.5% -- reversing its 1984 trend.

FIBROUS RAW MATERIALS

Although the total production of the chemical paper grades of market pulp was 1.3% below its comparable 1984 total in the first ten months of 1985, shipments of these pulps rose by 2.9%. The difference, of course, reflected the 14% decline in inventories at market pulp mills since the beginning of the year. As of Oct. 31, 1985 inventories of chemical paper grade market pulp at producing pulp mills were equivalent to 33 days of supply, compared to 42 days of supply at the end of 1984 and 26 days at the end of 1983.

The shipments gain reflected an 8.7% increase in exports; shipments to the domestic market fell by 3.1%, reflecting the weakness noted in output of some paper grades. Higher shipments to Japan and markets other than Western Europe accounted for the higher exports. Shipments to Western Europe, which accounted for 43% of the export total, declined by 4%.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

November 30, 1985

PRODUCTION (000 TONS)

	Oct. 85	Sept. 85	Oct. 84	Jan. - Oct. 85	Jan. - Oct. 84	% Change 85/84
PAPER GRADES	P	R				
Newsprint	449	447	470	4552	4650	-2.1
Printing & Writing	1613	1462	1627	15412	15449	-0.2
Uncoated Groundwood (s)	147	123	135	1248	1327	-5.9
Coated Paper (s)	481	437	554	4943	5213	-5.2
Uncoated Free Sheet Paper (s)	870	793	813	8104	7745	4.6
Thin Paper (s)	24	22	24	233	233	0.0
Cotton Fiber Paper (s)	12	12	13	119	124	-4.1
Bleached Bristols (s)	80	76	88	764	806	-5.2
Tissue Paper	432	394	434	4110	4080	0.7
Total Pkg & Other Paper	450	468	470	4379	4743	-7.7
Unbleached Kraft Packaging & Indl. Converting (s)	289	315	315	2866	3123	-8.2
Other Paper *	161	153	156	1513	1620	-6.6
TOTAL PAPER	2944	2771	3002	28452	28922	-1.6
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1405	1407	1446	13765	14546	-5.4
Unbleached Kraft Linerboard	1316	1301	1356	12761	13557	-5.9
Other Unbl. Kraft Paperboard	89	106	90	1004	989	1.6
Semichemical Paperboard	447	422	440	4243	4363	-2.8
Bleached Paperboard	333	309	346	3315	3420	-3.1
Recycled Paperboard	694	634	658	6444	6477	-0.5
TOTAL PAPERBOARD	2879	2772	2889	27767	28806	-3.6
TOTAL PAPER AND PAPERBOARD	5823	5543	5891	56220	57728	-2.6

WOOD PULP (ALL GRADES)	Sept. 85	Aug. 85	Sept. 84	Jan. - Sept. 85	Jan. - Sept. 84	% Change 85/84
Dissolving & Special Alpha	82	77	73	881	916	-3.8
Bleached Sulfite	114	113	110	1033	1035	-0.2
Unbleached Sulfite	14	16	17	156	204	-23.2
Bleached & Semi-Bl. Sulfate	1808	1881	1836	16863	16720	0.9
Unbleached Sulfate	1667	1655	1747	14667	15806	-7.2
Semichemical	324	348	334	3046	3083	-1.2
Groundwood & Thermomechanical	423	427	452	3978	4168	-4.5
TOTAL PULP DIVISION DATA	4432	4518	4568	40624	41931	-3.1

(s) - Shipments R - Revised
P - Preliminary

November 30, 1985

	Full Year		INDUSTRY DATA 1985			Ann. Rate Year - To - Date	% From Same Pd. Last Year
			R	R	P		
PAPER AND PAPERBOARD -- Tons (000)	1983	1984	Aug	Sept	Oct	1985	
Total Production (API).....: excluding :...	65000	68457	5772	5543	5823	67467	-2.6
Total Seasonally Adjusted....:construction:...			5606	5594	5610	66926	-2.3
Imports (including Products).: and wet :..E	8509	10576	873	981	987	11161	5.1
Exports (including Products).: machine :..E	4501	4309	356	353	334	4025	-9.6
Apparent Consumption.....: grades :...	69008 a	74724 b	6122	6222	6264	74062 c	-0.8
Paper Production % Tonnage Capacity.....	92.0 g	93.4 g	88.0	88.1	90.2	90.6 gn	-
Paperboard Production % Tonnage Capacity.....	90.8 g	94.8 g	92.1	91.5	91.3	91.3 g	-
			July	Aug			
IMPORTS.....:Including Construction and :...	8985	11075	919	910	1011	11533	3.4
EXPORTS.....: WMB Grades (excl. HPB) :...	4568	4387	316	361	359	4091	-10.2
MARKET WOOD PULP PRODUCTION - Tons (000).....	6478	6891	590	541	518	6799	-0.5
TOTAL WOOD PULP PRODUCTION - Tons (000).....	52537	55548	4492	4518	4432	54162	-3.1
WOOD PULP IMPORTS - TONS (000).....	4093	4490	392	387	340	4495	1.7
WOOD PULP EXPORTS - TONS (000).....	3644	3594	334	303	298	3821	5.2
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			July	Aug	Sept		
Wood Pulp.....:consumption for:.....	51434	54664	4426	4500	4359	53307	-3.1
Waste Paper.....:construction & :.....	14696	16015	1212	1294	1252	15178	-3.9
TOTAL.....: WMB grades :.....	66130	70679	5638	5794	5611	68485	-3.3
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	83608	87646	7022	6925	6904	85412	-2.9
EMPLOYMENT (000)			Aug	Sept	Oct		
Paper and Allied Products.....Total.....	661.6	682.3	686.9	684.2	684.8	682.7	0.1
Pulp, Paper and Board Mills.....Total.....E	258.2	263.9	257.6	254.2	254.3	258.2	-2.1
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	9.94	10.44	10.86	10.89	10.89	10.78	3.7
Pulp, Paper Mills.....E	11.70	12.45	13.25	13.31	13.50	13.07	5.6
Paperboard Mills.....E	11.08	12.99	13.62	13.67	13.70	13.50	4.5
CAPITAL EXPEND'TURES, PAPER & ALLIED PRODUCTS			1985 Q2	1985 Q3	1985 Q4		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	5.92	7.21	8.10	8.22	8.75	8.21y	13.9
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			Aug	Sept	Oct		
:IN PULP, PAPER :...Production Workers.....	118.0	119.9	124.5	118.4	122.6	120.7	-0.5
:AND BOARD MILLS:...All Employees.....	105.6	118.2	123.4	117.9	122.4	119.4	-0.2
PAPER AND ALLIED PRODUCTS (Million $)			July	Aug	Sept		
Industry Shipments (Dept. of Commerce)*.....	78209	95990	8135	8090	8111	97311	2.1
Pulp, Paper and Paperboard*.....	36346	41539	3464	3521	3426	41700	0.8
Inventories (End of Period) - Total Industry*..	8729	9701	9533	9650	9660	9660	0.2
Pulp, Paper and Paperboard*.....	3263	3662	3760	3695	3749	3749	5.8
			1984 Q4	1985 Q1	1985 Q2		
Sales (Corporations Only).....	65008	71891	17642	17797	18262	72118	-0.3
Earnings (Corporations Only).....	2327	3015	493	718	874	3184	1.3
Depreciation (Corporations Only).....	2607	2798	700	765	761	3052	9.6
Net Worth (Corporations Only).....	27219	28160	28160	29241	29797	29797	5.9
PRICE INDEXES (Bureau of Labor Stats)1967=100			Aug	Sept	Oct		
Pulp, Paper & Products, ex. Building Grades....	271.4	292.9	289.8	289.2	288.8	293.1	0.5
Wood Pulp.....	347.1	395.0	338.4	337.0	337.7	350.1	-11.3
Waste Paper.....	N.A.	240.1	141.4	129.5	126.8	153.3	-37.5
Paper.....	282.3	303.2	303.7	303.3	301.4	304.1	0.6
Paperboard.....	250.8	280.6	266.3	266.6	265.9	277.7	-0.2
PAPER DEMAND (INDEXED: 1977=100)			Aug	Sept	Oct		
Total Paper Production *.....	118.6	124.1	120.9	122.0	121.6	122.7	-1.3
Paper New Supply *.....	123.3	127.7	125.2	130.1	130.0	128.7	0.6
Demand Indicators - (Weighted Average) *.....	123.0	136.7	142.9	142.6	142.7	141.4	3.9
Production of Nondurable Goods *...(21.2%).	113.7	122.5	126.6	126.8	127.0	125.1	2.3
Disposable Income .....*.(23.9%)	116.1	124.0	126.7	126.8	127.0	126.7	2.5
Total Printing and Publishing *...(54.9%).	129.6	147.8	156.2	155.6	155.6	154.1	5.0
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	111.3	117.4	116.7	115.1	116.2	113.8	-3.2
Production for Domestic Use	107.7	115.2	114.6	114.3	114.7	112.6	-2.1
Demand Indicators - (Weighted Average) *.....	107.9	118.3	120.7	120.6	120.8	120.0	1.6
Production of Consumer Goods *...(62.06%)	109.3	118.2	121.4	121.5	121.8	120.2	2.0
Production of Equipment *...(5.75%)	121.7	140.5	149.0	149.1	148.9	147.1	5.5
Production of Materials *...(32.19%)	102.8	114.6	114.2	113.9	113.7	114.5	-0.1
Trend Factor			Not Available				
NEWSPRINT MARKETS			July	Aug	Sept		
Consumption by Publishers - Tons (000).....	11671	12612	976	1038	1075	12452	1.0
Newspaper Pub. and Printing Empl. Total(000)...	421.6	443.0	453.5	454.2	450.0	451.1	2.4
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	141126	156091	9468	10072	14517	144533	-2.7
WHOLESALERS SALES AND INVENTORIES (Million $)(j)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	26532	31876	2837	3049	2800	34171	8.9
Inventories (End of Period).	2341	2724	2932	3038	3095	3095	22.9
FIBRE BOX DATA (Fibre Box Association)			Aug	Sept	Oct		
Fibre Box Shipments (Million square feet).....	252539	267549	23164	22029	25515	268580	-1.3
Container'bd Inventory at Mill & Plant(000Tons).	2437	2882	2694	2561	2480	2480	-4.7
RETAIL TRADE (Million $)			July	Aug	Sept		
Total Retail Sales *.....	1171915	1291835	114417	117040	120227	1236685	7.0
Nondurable Goods Stores Sales *.....	793398	841417	72076	72770	73229	776060	2.8
GENERAL ECONOMIC DATA			Aug	Sept	Oct		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	109.2	121.8	125	124.9	124.9	124.3	2.3
PRODUCER PRICES(ALL COMMODITIES)(INDX 1967=100)..	303.1	310.4	307.2	305.8	308.0	308.6	-0.6
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	298.4	311.1	323.5	324.5	325.5	321.2	3.5
			July	Aug	Sept		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	387.9	461.0	503.8	513.0	524.4	524.4	19.9
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1985 Q1	1985 Q2	1985 Q3		
G.N.P. or Expenditure - Current $.....	3304.8	3662.8	3810.6	3853.1	3915.9	3859.9	8.6
G.N.P. or Expenditure - 1972 $.....	1534.7	1639.3	1663.5	1671.6	1688.4	1674.5	3.9

lb/capita

Pap&Pappd	Othr	Totl	Popul(mil)
.a - 589 + 18	=	607	234.2
.b - 631 + 18	=	649	234.9
.c - 627 + 18	=	645	234.9

.E - Last month estimated by API
.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - Adjusted to conform with API Division data
j - Census unpublished data; standard dev. = 6-8%
N.A. - Not Available
P - Preliminary
Q - Quarter
R - Revised
RS - Revised Series
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted